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FM AMEMBASSY NAIROBI
TO RUEHC/SECSTATE WASHDC PRIORITY 3391
RUEATRS/DEPT OF TREASURY WASHDC
RUEAHLC/HOMELAND SECURITY CENTER WASHDC

UNCLAS NAIROBI 004416

SIPDIS

SENSITIVE

DEPT FOR S/CT, INL, AF/E, AF/RSA, AND AF/EPS
DEPT FOR EEB/ESC/TFS JAY JALLORINA
JUSTICE FOR AFMLS, OIA, AND OPDAT
TREASURY FOR FINCEN
TREASURY FOR VIRGINIA BRANDON

SIPDIS

E.O. 12958: N/A

TAGS: EFIN ETTC KTFN KCRM PREL PTER KE
SUBJECT: KENYA TERRORIST FINANCE: FOLLOW-UP ACTION REQUEST ON
ILLICIT CASH COURIERS

REF: A)STATE 152088 B)NAIROBI 000875

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¶1. (SBU) In response to ref A, the situation in Kenya regarding cash smuggling has not improved or changed from that described in ref B. The 2007 INCSR text remains accurate: Kenya has little in the way of cross-border currency controls. GOK regulations require that any amount of cash above \$5,000 be disclosed at the point of entry or exit for record-keeping purposes only, but this provision is rarely enforced.

¶2. (SBU) To respond specifically to the questions in ref tel A:

¶A. The GOK submitted an anti-money laundering (AML) bill to Parliament in November 2006, but Parliament never debated it before the session ended in October, 2007. After the December 27 general election, the new government will have to resubmit the bill to the new Parliament when it opens in March 2008.

¶B. No change in the key elements of the AML bill regarding cash smuggling described in ref B.

¶C. No change in the reporting requirements regarding cash smuggling described in ref B. The customs declaration policy requires that any funds over USD5,000 equivalent should be declared upon entry into and leaving the country, but it appears Kenya Revenue Authority (KRA) Customs has not instituted the log book it proposed in ref B to record all instances of people traveling with over USD5,000 equivalent.

¶D. KRA Customs has not opened any investigations into cash smuggling, and does not plan to open any until after the AML bill is passed into law unless a case relates directly to a narcotics or organized crime investigation.

¶E. No prosecutions.

¶F. Under its Framework of Standards program, DHS/CBP has provided training on bulk cash smuggling to four of Customs basic students classes at the KRA Training Institute in Mombasa. DHS/CBP has also covered cash smuggling in several more advanced courses presented to KRA customs, police, Immigration, and port authorities. The Embassy has for four years been providing technical assistance in drafting, and discreet support for passage of, the AML Bill. These efforts will continue when a new parliament reconvenes in 2008.

